



AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY

## Casual Employment and ALP Policy

Opinion Piece for *HR Monthly Magazine* by Peter Anderson, Director, Workplace Policy, Australian Chamber of Commerce and Industry.

The Labor Party's industrial relations platform adopted in January 2004 portrays casual employment in a negative light. It proposes to "re-define casual, part time and full time employment", although it does not specify what that means for employers and employees.

The idea that a government or parliament would redefine employment when this is the current role of courts and industrial tribunals is, without some further explanation, very concerning to industry.

The ALP also proposes to give casual employees a right to convert their employment to regular part time, with the employer carrying the onus of establishing that commercial circumstances should prevent conversion from occurring.

This policy is unnecessary and would be ineffectual because most casual arrangements are consensual. Even union surveys say that more than 70 per cent of casual employees are happy to be casuals. Casual staff prefer to maximise their incomes and not lose the 20 to 30 per cent higher hourly pay they receive. Paid annual leave and sick leave is not a priority for casual staff, as they can usually arrange periods of unpaid absence in consultation with managers and work colleagues.

Where conversion rights exist, they have been rarely used. For example, over 98 per cent of casual employees in the manufacturing industry have chosen to maintain their status as casuals despite conversion rights applying since 2002.

Giving casual employees access to paid annual leave, sick leave and other entitlements (in lieu of the casual loading) would mean that employers would have less flexibility to alter working hours of the employee based on business conditions. The employer's right to flexibility, which was agreed at the time of employment, could be unilaterally taken away during the course of employment.

As well as reduced flexibility, higher overtime payments could be imposed on businesses under such a policy. For example, unions could demand that a part time employee whose hours (say, 20 per week) are increased by the business (say, to 25 per week) should be paid overtime for those additional hours. As a casual employee, no overtime is payable where hours are increased in that way.